

Message Text

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PAGE 01 PORT O 00797 101517Z

51

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SIL-01 OMB-01 INT-05 AGR-05 AID-05

DODE-00 PM-03 H-02 L-02 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 /083 W

----- 074069

P R 101428Z APR 75

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC PRIORITY 7602

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

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E.O. 11652: N/A

TAGS: ELAB PINT ENRG TD

SUBJECT: GOVERNMENT TAKES OVER DELIVERY OF GAS AND SUGAR

REF: POS 758 AND PREVIOUS

BEGIN SUMMARY: THE GOTT APRIL 9 TOOK CONTROL OF EXISTING STOCKS OF PETROLEUM PRODUCTS AND SUGAR AND ORDERED MILITARY AND POLICE PERSONNEL TO MAKE DELIVERIES OF THESE PRODUCTS TO THE GENERAL PUBLIC. THE ACTIONS WILL END THE SHORTAGES WHICH WERE RAPIDLY BRINGING BUSINESS ACTIVITY AND TRANSPORTATION TO A STANDSTILL BUT WILL NOT IMMEDIATELY AFFECT THE STILL UNRESOLVED LABOR DISPUTES IN SUGAR AND OIL. THE NEGOTIATIONS BETWEEN TEXACO AND THE OWTU IN THE INDUSTRIAL COURT HAVE REPORTEDLY BEEN MAKING PROGRESS BUT IN THE SUGAR DISPUTES ALL POSITIONS REMAIN DEADLOCKED. END SUMMARY

1. FINALLY MOVED BY PRESSURE FROM THE PUBLIC, THE BUSINESS COMMUNITY AND FROM CONSTITUENCY GROUPS WITHIN THE RULING

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PAGE 02 PORT O 00797 101517Z

PEOPLE'S NATIONAL MOVEMENT (PNM), THE CABINET APRIL 9 TOOK CONTROL

OF THE EXISTING STOCKS OF SUGAR AND PETROLEUM PRODUCTS AND ORDERED DEFENSE FORCE AND POLICE PERSONNEL TO MAKE DELIVERIES OF THESE TWO COMMODITIES TO THE PUBLIC. GASOLINE WILL BE SOLD ONLY THROUGH GOVERNMENT-OWNED TRINTOC AND NP SERVICE STATIONS WHICH ARE NOT DIRECTLY AFFECTED BY TEXACO-OWTU CONTRACT IMPASSE. THE CABINET ALSO RESCHEDULED THE COMMON ENTRANCE EXAMINATION FOR SCHOOL CHILDREN, WHICH HAD BEEN POSTPONED DUE TO FUEL SHORTAGES, FOR MAY 9, AND STATED THAT THE SCHOOLS WOULD REOPEN FROM THEIR EASTER RECESS ON APRIL 14 AS SCHEDULED.

2. THE CABINET DECISIONS WILL NOT RESOLVE THE ISSUES AT STAKE IN CURRENT DISPUTES IN SUGAR AND IN OIL BUT WILL REMOVE THE HARD-SHIPS WHICH THESE DISPUTES HAVE INFLICTED ON THE GENERAL PUBLIC AND ON BUSINESS AND MANUFACTURING CONCERNS OUTSIDE SUGAR AND OIL. TRINIDAD HAD BEEN WITHOUT GASOLINE, EXCEPT FOR DELIVERIES MADE BY THE REGIMENT TO ESSENTIAL SERVICES, FOR THE PAST EIGHT DAYS AND HAD DEPLETED MOST OF ITS STOCKS OF SUGAR. MANY MANUFACTURING CONCERNS HAVE BEEN FORCED TO REDUCE PRODUCTION AND TO LAY OFF WORKERS DUE TO THE LACK OF FUEL AND SUGAR AND TO THE DIFFICULTIES WHICH THEIR WORKERS WERE HAVING IN FINDING TRANSPORTATION TO GET TO WORK.

3. SEVERAL PNM CONSTITUENCIES, INCLUDING ONE REPRESENTED BY FORMER ATTORNEY GENERAL KARL HUDSON-PHILLIPS, ALL OF THE BUSINESS ASSOCIATIONS, AND MANY OPPOSITION POLITICAL LEADERS HAVE CALLED ON THE GOVERNMENT TO ACT. FACED WITH THIS OPPOSITION, PRIME MINISTER WILLIAMS CALLED OFF A MEETING OF THE PNM GENERAL COUNCIL WHICH WAS TO HAVE TAKEN PLACE ON APRIL 6 AND CONVENED THE SPECIAL CABINET MEETING APRIL 9 WHICH MADE THE DECISIONS TO PROVIDE GAS AND SUGAR TO THE PUBLIC. IT WAS ALSO ANNOUNCED THAT THE PRIME MINISTER WOULD ADDRESS THE NATION FROM POINT FORTIN, THE TOWN IN SOUTH TRINIDAD WHERE THE TRINTOC REFINERY IS LOCATED, ON APRIL 11 AND WOULD SPEAK TO A PUBLIC MEETING IN SAN FERNANDO ON APRIL 13.

4. IN THE TEXACO-OWTU DISPUTE, NEGOTIATIONS BETWEEN THE TWO PARTIES HAVE BEEN TAKING PLACE THIS WEEK AT THE INDUSTRIAL COURT. SO FAR THEY ARE REPORTED TO HAVE MADE PROGRESS ON THE CONTRACT PROVISIONS DEALING WITH FRINGE BENEFITS AND WORKING CONDITIONS BUT HAVE NOT YET TACKLED THE CENTRAL WAGE ISSUES.

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PAGE 03 PORT O 00797 101517Z

THE RESUMPTION OF THE BILATERAL NEGOTIATIONS PRIOR TO FORMAL CONSIDERATION OF THE MATTER BY THE COURT WAS MADE POSSIBLE BY THE INTERVENTION OF THE TRINIDAD AND TOBAGO LABOUR CONGRESS (TTLC) WHICH PERSUADED TEXACO TO RETURN TO THE BARGAINING TABLE RATHER THAN TURN THE MATTER OVER TO THE LENGTHY PROCESSES OF THE COURT.

5. IN A RELATED DEVELOPMENT, THE TTLC MADE PUBLIC ITS NEGATIVE

REPLY TO OWTU PRESIDENT GENERAL GEORGE WEEKES' REQUEST FOR SUPPORT FOR A GENERAL STRIKE TO PROTEST THE BRUTALITY OF THE POLICE IN BREAKING UP THE UNITED LABOUR FRONT (ULF) MARCH IN SAN FERNANDO ON MARCH 18. IT TOOK THIS ACTION ONLY AFTER WEEKES PUBLICLY CRITICISED THE CONGRESS FOR ITS FAILURE TO SUPPORT THE STRIKE CALL. IN FRANK AND SOMETIME BITTER TERMS, THE TTLC LETTER CASTIGATED WEEKES FOR ATTACKING THE CONGRESS AND RAIDING ITS MEMBER UNIONS WHILE ASKING FOR HELP AND PREACHING LABOR UNITY. THE TTLC CHARGED THAT WEEKES HAD BEEN UNABLE TO SUBSTANTIATE HIS DEMAND FOR A 147 PERCENT WAGE INCREASE TO THE TTLC AND HAD, IN FACT, INDICATED THAT HE WOULD BE WILLING TO SETTLE FOR LESS THAN 80 PERCENT. THIS PUBLIC EXCHANGE WILL DO LITTLE TO HEAL THE BREACH BETWEEN THE TTLC AND THE OWTU AND WILL NO DOUBT LEAD TO CHARGES BY WEEKS THAT THE TTLC UNDERMINED HIS NEGOTIATING POSITION.

6. ON THE SUGAR FRONT, THE DISTRIBUTION OF EXISTING STOCKS OF REFINED SUGAR WITHIN THE COUNTRY WILL HAVE LITTLE EFFECT ON THE DISPUTE BETWEEN THE SUGAR MANUFACTURERS, WHICH ARE ALMOST ENTIRELY CONTROLLED BY THE GOVERNMENT, AND SUGAR WORKERS AND CANE FARMERS. SO FAR THE GOVERNMENT HAS GIVEN NO INDICATION THAT IT WILL COMPROMISE ON THE RECOGNITION OF RAFFIQUE SHAH'S CANE FARMERS UNION WHICH IS THE KEY TO A SUGAR SETTLEMENT. THE OTHER MEMBERS OF THE ULF - THE ALL TRINIDAD SUGAR WORKERS AND THE OWTU - HAVE MADE RECOGNITION OF SHAH A CONDITION FOR SETTLING THEIR OWN DISPUTES WITH CARONI AND TEXACO. WEEKES DID SAY THAT TRINTOC AND NP TANK WAGON DRIVERS WOULD RETURN TO WORK IF CARONI WOULD ONLY TALK TO SHAH, A CONCESSION WHICH SENIOR GOVT OFFICIALS BELIEVE INDICATES A WEAKENING OF THE ULF'S BARGAINING POSITION.

7. COMMENT: THE CABINET DECISION APPEAR TO HAVE BEEN SPECIFICALLY AIMED AT AVOIDING TAKING SIDES IN THE TEXACO LIMITED OFFICIAL USE

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DISPUTE OR EXTRICATING WEEKES FROM THE BOX HE HAS WORKED HIMSELF INTO BY HIS EXTRAVAGANT DEMANDS AND PUBLIC POSTURING. THESE ACTIONS, TOGETHER WITH THE UNYIELDING POSITION TOWARD SHAH, MAKE CREDIBLE THE REPORT THAT THE GOVERNMENT IS TRYING TO INCREASE THE INTERNAL PRESSURE WITHIN THE ULF TO CAUSE A FALLING OUT BETWEEN THE OIL WORKERS AND THEIR ALLIES IN SUGAR. IF ACCURATE, THIS COURSE OF ACTION WOULD INDICATE THE RELATIVELY HIGH PRICE THE GOVERNMENT IS WILLING TO PAY IN TERMS OF LOST SUGAR AND OIL REVENUES TO DENY SHAH A POLITICAL BASE AND TO PREVENT THE POSSIBLE FORMATION OF A NEGRO-EAST INDIAN POLITICAL FORCE IN OPPOSITION TO THE GOVERNMENT. MILLER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, UNION GOVERNMENT RELATIONS, LABOR STRIKES, SUGAR WORKERS, NEGOTIATIONS, LABOR DISPUTES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PORTO00797
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750125-0305
From: PORT OF SPAIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750462/aaaacfm.c.tel
Line Count: 166
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 POS 758
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 SEP 2003 by BoyleJA>; APPROVED <18 DEC 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOVERNMENT TAKES OVER DELIVERY OF GAS AND SUGAR
TAGS: ELAB, PINT, ENRG, TD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006